

Washington D.C. – Congressman Kevin McCarthy gave the following remarks on his bill the Access to Capital for Job Creators Act, H.R. 2940 to ease restrictions on small businesses and entrepreneurs so that they can access the capital needed to grow and create jobs:

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TRANSCRIPT:

Mr. Speaker, as many know on this floor that I started, before I was in Congress, as a small business owner. At the age of 20, I took some savings I had, some luck with the lottery and investments in the market and I took a risk. I went out and opened a deli. I didn't put a lot of thought in the name so I named it after myself, but as I took that risk as many people across the country do you find the challenges of owning a small business. Fortunately, I was successful, able to hire people. Able to work through, and in the end of two years, I now had enough money to pay my way through college. But when I think back to those days of the risk I took, I wonder if in today's environment, could I do the same?

Unfortunately, the answer is no, I could not. I cringe at the thought of today, of the regulations, the challenges that small businesses face.

When I look at what small businesses do to this economy. They represent 99.7 percent of all employers. When you analyze the growth of America, and you just want to take from the beginning of the last recession, 2001, the end of it, to the beginning of this one in 2007 and you look at that time in America when we had job growth, when you think about who created that growth, well small businesses added seven million jobs. Large corporations cut one million jobs during that same time.

And today, when we look at the market, we are at our all-time low in the last 16 years for new small businesses entering, and all statistics tell us we will not grow unless small businesses grow. Unfortunately, the entrance to market has become too great. The regulations have been too tough, and the access to capital has been too hard to get.

So, just as that story I tell you of starting my own small business, when it became successful, before I sold it, I actually looked to expand. I had dreams of putting five new delis throughout my town. I even started negotiating on a new lease. But to raise that extra capital, one a bank had turned me down, but because of regulations by the federal government, I could only talk to those people I already had a relationship with. I came from a side of town that didn't have great wealth. I didn't know people with money. So for me to be able to talk to them, I'd have to hire an attorney, file with the SEC, all things that I did not have the time to do as a small business, even to talk to somebody about the idea. So, I ended up selling.

Well, that law was based in 1933. This country has moved forward this Congress should move forward as well. That's exactly what this bill will do.

It will allow the small business to unshackle the capital which it needs. It will allow the individual to talk to those who are accredited investors and it has the protections to do that so that the idea could actually gain the capital. And you have to think, when you're in a small business sometimes this capital is better than going to a bank. It's what you negotiate. The cash flow is very important in a small business. A bank makes you pay monthly. The investment of an individual, it allows you to have growth. It also allows Americans to invest in America. It is a win-win all the way around. It is evolving in a place that allows small business to grow. I will tell you that the strength from the amendment from Maxine Waters and the adoption in the committee requires insurers to verify that purchases are in fact SEC accredited, and I thank you for that amendment. This was approved in the Financial Services Committee by a bipartisan vote.

This is another example of an issue where we can find common ground, work on both sides of the aisle, work with this president, but more importantly, let America start working again.

Mr. Speaker, I urge all my colleagues to support this common sense legislation and I reserve the balance of my time.